



*What will the software industry look like in 3, 5, even 10 years from now?*

Cloud computing and social media are the two very significant trends that will shape the future of the software industry for years to come. Core cloud applications (email, CRM, ERP, etc.) will become an "operating system" that nearly all companies will have in place. These business applications focus on workflow automation - bringing in process efficiencies - and are sufficient to run a manufacturing or process business. However, businesses are increasingly delivering services, where employee knowledge and intelligence are the keys to success. This is where social media, business intelligence and collaboration technology becomes relevant, and crucial. It is designed to make employees smarter and more effective, not just to automate their jobs.

The big challenge with social media & collaboration is that it creates very, very large quantities of information. If you include systems-generated streams, the amount of information and data quickly becomes overwhelming. Software companies need to effectively tap into this growing source of "[social intelligence](#)," developing technologies capable of monitoring the information stream for important and relevant intelligence. For example, a social conversations about their brands, products and people that might give users new insights and detail otherwise not available through traditional news sources. Software companies then must tackle the quantity-versus-quality problem by effectively filtering and analyzing the large quantities of available information. Lastly, they need to deliver the most relevant and useful intelligence to

end-users in the easiest-to-consume manner: directly within the workflow of the business applications they enrich.

Of course, end-user technologies have to be just as easy to deploy as they are to use, both for the end-users and IT decision-makers. The days of hard to use, difficult to implement software, will quickly fade. A new, two-pronged software distribution model is emerging to improve adoption: first, make the application as widely available as possible, promoting 'bottom-up' adoption, which in turn drives 'top-down' implementation. As an example, at [InsideView](#), we created a free version of our sales intelligence application to facilitate broader adoption and distribution. I believe the "

[Freemium model](#)

" will become more and more prevalent in the software industry. But even without the universal availability of an app, the single-most important principle is making it easy for a decision maker to deploy with little effort across the target user base - and making it seamless, customizable and most applicable to the organization.

*And what customer demands and business trends will drive changes in software products, how they're developed, and the industry that provides them?*

Social media is driving significant change in software, which is only going to accelerate over the next decade. Let's start with the buyer. We are now selling to a new breed of prospect that I call [Customer 2.0](#). These are socially engaged and well-informed buyers. They have abundant visibility into the companies they consider doing business with (products/services, pricing, competitive strengths and weaknesses, customer satisfaction, etc.). They've done their homework. And not surprisingly, this new breed of buyer expects vendors to be more educated about their business, too. They want to be engaged in targeted and relevant conversations about how to solve specific business challenges and urgent needs, not just receive a generic pitch. Social media changes the dynamics with prospective [employees](#), business partners and vendors, enabling significantly greater visibility into business and personal aspects that can shape relationships and drive business decisions.

By listening to [social media](#), companies have the opportunity to learn what is being said about and by their various stakeholders and audiences. This provides unique insights that aren't available through more traditional sources. Of course, it's a huge task to monitor the social conversation, filter out the noise to hone in what's relevant. That's why I believe any "external-facing" business application that targets customers, partners, vendors or employees will have to incorporate social intelligence directly into its workflow.

Unfortunately, many of these solutions have remained mostly in the ranks of workflow automation. This makes them useful for automating structured processes and reports for management, but not for enabling effective relationship building and engagement with their intended audiences. I strongly believe that the next-generation of software applications will have to tap into social intelligence within application workflow to bring in a new level of engagement and authenticity into the relationships these applications are intended to manage- and in the process improve business productivity. Next generation apps will also need to associate these new social insights with what we already know about our customers, prospects, vendors and employees to create a 360-degree view of these relationships.

This need for greater intelligence is a key tenet upon which to build any successful business application for sales, marketing, customer service, finance or human resources. All these professionals need to "get smarter" in their interactions with their constituents. Put simply, integrated social intelligence becomes an [essential enabler](#) for successful businesses engagements as we enter the new era of social media.

*This interview was published in SIIA's [Vision from the Top](#) , a Software Division publication released at [All About the Cloud](#) 2011.*